

HOUSE BILL NO. 44

INTRODUCED BY SMITH

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT ~~A MEMBER~~ CERTAIN MEMBERS OF THE
5 PUBLIC EMPLOYEES', HIGHWAY PATROL OFFICERS', SHERIFFS', GAME WARDENS' AND PEACE
6 OFFICERS', MUNICIPAL POLICE OFFICERS', FIREFIGHTERS' UNIFIED, OR JUDGES' RETIREMENT
7 SYSTEM SYSTEMS WITH AT LEAST ~~40~~ 5 YEARS OF SERVICE CREDIT MAY PURCHASE MILITARY
8 SERVICE FOR AN AMOUNT BASED ON THE MEMBER'S SALARY AND CONTRIBUTIONS RATHER THAN
9 ~~ON~~ THE ACTUARIAL COST OF THE SERVICE; PROVIDING THAT MILITARY SERVICE PURCHASED IN THE
10 SHERIFFS' AND FIREFIGHTERS' UNIFIED RETIREMENT SYSTEMS IS COUNTED AS MEMBERSHIP
11 SERVICE; AND AMENDING SECTION SECTIONS 19-3-503, 19-6-801, 19-7-803, 19-7-804, 19-8-901, 19-9-403,
12 AND 19-13-403, MCA; AND PROVIDING AN EFFECTIVE DATE."

13

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15

16 **Section 1.** Section 19-3-503, MCA, is amended to read:

17 **"19-3-503. Application to purchase military service.** (1) (a) Except as provided in subsection (2) and
18 subject to 19-3-514, a member with at least ~~40~~ 5 years of MEMBERSHIP service ~~credit~~ may, at any time prior to
19 retirement, file a written application with the board to purchase service credit for up to 5 years of the member's
20 active service in the armed forces of the United States, including the first special service force or the American
21 merchant marine in oceangoing service during the period of armed conflict, December 7, 1941, to August 15,
22 1945.

23 (b) To purchase this service, the member shall ~~pay the actuarial cost of the member's military service,~~
24 ~~based on the system's most recent actuarial valuation~~ contribute to the pension trust fund the amount
25 determined by the board to be due based on the member's compensation and regular contribution rate as of the
26 member's 11th year of service and as many succeeding years as required to qualify this service, with regular
27 interest from the date on which the member becomes eligible for this benefit to the date on which the member
28 contributes. The member may not purchase more of this service than the member has service credits in excess
29 of 10 years PAY THE ACTUARIAL COST OF THE MEMBER'S MILITARY SERVICE, BASED ON THE SYSTEM'S MOST RECENT
30 ACTUARIAL VALUATION.

- 1 (2) A member is not eligible to purchase military service under this section if the member:
- 2 (a) has retired from active duty in the armed forces of the United States, including the first special
- 3 service force or the American merchant marine in oceangoing service during the period of armed conflict,
- 4 December 7, 1941, to August 15, 1945, with a military service retirement benefit based on that military service;
- 5 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or
- 6 (c) is eligible to receive credit for that service in any other retirement system or plan."

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8 **SECTION 2. SECTION 19-6-801, MCA, IS AMENDED TO READ:**

9 **"19-6-801. Application to purchase military service.** (1) Except as otherwise provided in this section

10 and subject to 19-6-805, ~~a an eligible member with at least 15 years of service credit~~ may, at any time prior to

11 retirement, file a written application with the board to purchase up to 5 years of the member's active service in

12 the armed forces of the United States for the purpose of calculating retirement benefits.

13 (2) To purchase this military service:

14 (a) a member with at least 15 years of service credit and who is not covered by 19-6-710 shall contribute

15 the amount determined by the board to be due based on the member's compensation and regular contribution

16 rate in the member's 16th year for the 1st year purchased and, for each subsequent year purchased, an amount

17 based on the member's compensation and contribution rate in each of as many years succeeding the member's

18 16th year as are required to complete the purchase, with regular interest from the date the member becomes

19 eligible for this benefit to the date the purchase is complete. The member may not purchase more military

20 service under this subsection (2)(a) than the member has service credit in excess of 15 years.

21 (b) a member with at least 5 years of membership service who is covered by 19-6-710 shall pay the

22 actuarial cost of the member's military service, based on the system's most recent actuarial valuation.

23 (3) A member is not eligible to purchase military service under this section if the member:

24 (a) has retired from active duty in the armed forces of the United States with military retirement benefits

25 based on that military service;

26 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

27 (c) is eligible to receive credit for that service in any other retirement system or plan."

28

29 **SECTION 3. SECTION 19-7-803, MCA, IS AMENDED TO READ:**

30 **"19-7-803. Application to purchase military service.** (1) Except as otherwise provided in this section

1 and subject to 19-7-805, a member with at least 45 5 years of membership service ~~credit~~ may, at any time prior
 2 to retirement, file a written application with the board to purchase up to 5 years of the member's active service
 3 in the armed forces of the United States for the purpose of calculating retirement benefits.

4 (2) To purchase this military service, the member shall pay the actuarial cost of the member's military
 5 service, based on the system's most recent actuarial valuation.

6 (3) A member is not eligible to purchase military service under this section if the member:

7 (a) has retired from active duty in the armed forces of the United States with military retirement benefits
 8 based on that military service;

9 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

10 (c) is eligible to receive credit for that service in any other retirement system or plan.

11 ~~(4) Military service purchased under this section is not membership service and may not be used in~~
 12 ~~determining the member's eligibility for a service retirement benefit."~~

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14 **SECTION 4. SECTION 19-7-804, MCA, IS AMENDED TO READ:**

15 **"19-7-804. Application to purchase additional service.** (1) Subject to 19-7-805, a member with at
 16 least 5 years of membership service may, at any time before retirement, file a written application with the board
 17 to purchase 1 additional year of service credit for each 5 years of membership service.

18 (2) To purchase service under this section, a member shall pay the actuarial cost of the service in the
 19 sheriffs' retirement system, as determined by the board, based on the system's most recent actuarial valuation.

20 ~~(3) Service purchased under this section may not be used to qualify a member for the purchase of~~
 21 ~~military service under 19-7-803.~~

22 ~~(4)~~(3) Service purchased under this section must be credited for the purpose of meeting retirement
 23 eligibility and for calculating retirement benefits."

24

25 **SECTION 5. SECTION 19-8-901, MCA, IS AMENDED TO READ:**

26 **"19-8-901. Application to purchase military service.** (1) (a) Except as otherwise provided in this
 27 section and subject to 19-8-906, a member with at least 45 5 years of membership service ~~credit~~ may, at any
 28 time prior to retirement, file a written application with the board to purchase up to 5 years of the member's active
 29 service in the armed forces of the United States for the purpose of calculating retirement benefits.

30 (b) To purchase this military service, the member shall pay the actuarial cost of the member's military

1 service, based on the system's most recent actuarial valuation as determined by the board.

2 (2) A member is not eligible to purchase military service under this section if the member:

3 (a) has retired from active duty in the armed forces of the United States with military retirement benefits

4 based on that military service;

5 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

6 (c) is eligible to receive credit for that service in any other retirement system or plan."

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8 **SECTION 6. SECTION 19-9-403, MCA, IS AMENDED TO READ:**

9 **"19-9-403. Application to purchase military service.** (1) Except as otherwise provided in this section
10 and subject to 19-9-406, a member with at least ~~45~~ 5 years of membership service ~~credit~~ may, at any time prior
11 to retirement, file a written application with the board to purchase up to 5 years of the member's active duty
12 service in the armed forces of the United States for the purpose of calculating retirement benefits.

13 (2) To purchase this military service, the member shall pay the actuarial cost of the member's military
14 service, based on the system's most recent actuarial valuation.

15 ~~(3) The member may not purchase more military service than the member's years of membership~~
16 ~~service in excess of 15 years.~~

17 ~~(4)~~(3) A member is not eligible to purchase military service under this section if the member:

18 (a) has retired from active duty in the armed forces of the United States with a military retirement benefit
19 based on that military service;

20 (b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or

21 (c) is eligible to receive credit for that service in any other retirement system or plan."

22

23 **SECTION 7. SECTION 19-13-403, MCA, IS AMENDED TO READ:**

24 **"19-13-403. Application to purchase military service.** (1) (a) Except as otherwise provided in this
25 section and subject to 19-13-406, a member with at least ~~45~~ 5 years of membership service ~~credit~~ may, at any
26 time prior to retirement, file a written application with the board to purchase up to 5 years of the member's active
27 duty service in the armed forces of the United States for the purpose of calculating retirement benefits.

28 (b) To purchase this military service, the member shall pay the actuarial cost of the service, based on
29 the system's most recent actuarial valuation.

30 ~~(2) A member may not purchase more military service than the member's years of membership service~~

1 ~~in excess of 15 years.~~

2 ~~(3)(2) A member is not eligible to purchase military service under this section if the member:~~

3 ~~(a) has retired from active duty in the armed forces of the United States with military retirement benefits~~

4 ~~based on that military service;~~

5 ~~(b) is eligible, pursuant to 19-2-707, to receive credit in the system for that service; or~~

6 ~~(c) is eligible to receive credit for that service in any other retirement system or plan.~~

7 ~~(4) Military service purchased under this section is not membership service and may not be used in~~

8 ~~determining the member's eligibility for a service retirement benefit."~~

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10 NEW SECTION. SECTION 8. APPLICATION TO PURCHASE MILITARY SERVICE CREDIT. (1) EXCEPT AS
 11 OTHERWISE PROVIDED IN THIS SECTION AND SUBJECT TO [SECTION 9], A MEMBER WITH AT LEAST 5 YEARS OF MEMBERSHIP
 12 SERVICE MAY, AT ANY TIME PRIOR TO RETIREMENT, FILE A WRITTEN APPLICATION WITH THE BOARD TO PURCHASE UP TO
 13 5 YEARS OF THE MEMBER'S ACTIVE SERVICE IN THE ARMED FORCES OF THE UNITED STATES FOR THE PURPOSE OF
 14 CALCULATING RETIREMENT BENEFITS.

15 (2) TO PURCHASE THIS MILITARY SERVICE, THE MEMBER SHALL PAY THE ACTUARIAL COST OF THE SERVICE,
 16 BASED ON THE SYSTEM'S MOST RECENT ACTUARIAL VALUATION.

17 (3) A MEMBER IS NOT ELIGIBLE TO PURCHASE MILITARY SERVICE UNDER THIS SECTION IF THE MEMBER:

18 (A) HAS RETIRED FROM ACTIVE DUTY IN THE ARMED FORCES OF THE UNITED STATES WITH MILITARY RETIREMENT
 19 BENEFITS BASED ON THAT MILITARY SERVICE;

20 (B) IS ELIGIBLE, PURSUANT TO 19-2-707, TO RECEIVE CREDIT IN THE SYSTEM FOR THAT SERVICE; OR

21 (C) IS ELIGIBLE TO RECEIVE CREDIT FOR THAT SERVICE IN ANY OTHER RETIREMENT SYSTEM OR PLAN.

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23 NEW SECTION. SECTION 9. SERVICE PURCHASE LIMITATION. A MEMBER MAY NOT PURCHASE MORE THAN A
 24 COMBINED TOTAL OF 5 YEARS OF SERVICE UNDER 19-5-409 AND [SECTION 8].

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26 NEW SECTION. SECTION 10. CODIFICATION INSTRUCTION. [SECTIONS 8 AND 9] ARE INTENDED TO BE
 27 CODIFIED AS AN INTEGRAL PART OF TITLE 19, CHAPTER 5, PART 4, AND THE PROVISIONS OF TITLE 19, CHAPTER 5, PART
 28 4, APPLY TO [SECTIONS 8 AND 9].

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30 NEW SECTION. SECTION 11. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE JULY 1, 2003.

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